

Kentucky

&

Tobacco



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smoking in now an important retail market. Together with other tobacco commodities, close to 527 million packages of cigarettes were purchased there in 1971 through nearly 28,000 outlets. Consumers pay a triple tax for the privilege of smoking cigarettes: federal and state excise and a sales tax. Since the inception of the state excise on cigarettes the gross yield from this source alone to June 30, 1971 has been over \$247 million.

From the period of the first known settlements in the late 18th century tobacco has been closely woven into the economic and social fabric of Kentucky. This booklet presents the record of tobacco in the state—some of it surprisingly dramatic—and describes its current agriculture and industry.

Tobacco History Series
Fourth Edition



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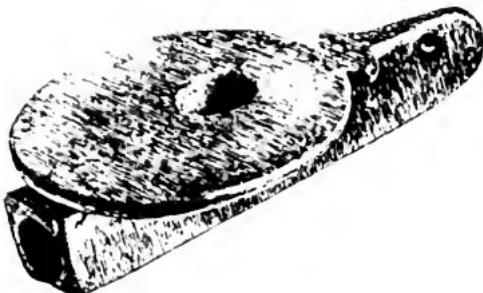
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Kentucky and Tobacco



Handle disk pipe; see page 21

Sometime in the spring of 1787 a flat-boat cargo began a momentous trip down the Mississippi from Louisville. An American general, James Wilkinson, later represented as "the mystery man of the West," was responsible for the shipment. Included in the several salable commodities in the cargo were some hogsheads of tobacco, a recent product of Kentucky's virgin soil.

Not much of cured leaf or anything else was in the shipment. It was the first venture of its kind, an experiment that had more than its share of normal hazards.

The major one, indeed the certain one, was that the cargo would be seized at Natchez or New Orleans by the Spanish authorities. They were under strict orders to exclude foreign goods from Spanish ports on the Mississippi. Yet the flatboat went. It was up to Wilkinson to get its freight through.

The tobacco in the shipment had been grown by planters who, not long before, had come to Kentucky from North Carolina and Virginia. They knew tobacco, and they knew that the leaf grown in Kentucky's rich earth was of fine quality. All that was needed was a market.

That lay beyond the export barrier Spain had erected at New Orleans. Once the barrier was lifted, Kentucky farmers would have access to markets in the States and in Europe long supplied by planters of the older tobacco areas in the southeastern states.

Wilkinson had planned his venture with skill and cunning. As expected, the cargo was seized. Yet Wilkinson not only effected its release but established a trade outlet at New Orleans for commodities produced in Kentucky. The success of his venture was described as "a miracle of miracles." The dramatic news Wilkinson reported on his return resulted in a prompt and considerable expansion of tobacco acreage in parts of Kentucky.

TOBACCO AGRICULTURE
AND
INDUSTRY
IN
KENTUCKY TODAY



Broadleaf variety of Burley, Kentucky's major farm crop
Courtesy of the U. S. Department of Agriculture

King Burley

The planters of Wilkinson's day could hardly have foreseen how enormously the culture of tobacco would develop. For a while, though many years after the Wilkinson period, Kentucky became the largest producer of tobacco in the United States, and when writers referred to the "Tobacco State" they meant Kentucky.

For almost a century now, Kentucky has maintained its place as the foremost producer of one type — Burley — officially classified as light air-cured tobacco. The Kentucky harvest in 1971 totaled 339,625,000 pounds, by far the most abundant crop of this type. Though once confined to the Bluegrass area, Burley is now grown in all but a few of the state's 120 counties. Blended cigarettes would taste different—and not nearly as good as they do—if they lacked Burley leaf. On an average, 35 percent of the tobacco in cigarettes of American manufacture is Burley. The leaf is also used in domestic smoking and chewing tobaccos; a little goes into some snuffs.

Leaf quartette

The production of tobacco in Kentucky is diversified. In addition to Burley, type 31, there are four other types grown in the state. The collective area in which they are grown (including sections of north-central to northwestern Tennessee) was long known as the Black Patch.

The types are:

- Eastern district fire-cured, type 22, grown in a limited section of southern Kentucky, east of the Tennessee River, of which 9,855,000 pounds was harvested in the state in 1971.

- Western district fire-cured, type 23, planted in a small area bounded by the Tennessee, Ohio and Mississippi Rivers, with a Kentucky crop total in 1971 of 6,753,000 pounds. Fire-cured types are strongly flavored, and light- to dark-brown in color.
- Green River, a dark air-cured tobacco, type 36, produced in the river territory lying between the market towns of Owensboro and Henderson in northwestern Kentucky. A little over four million pounds was produced in 1971. It is an important ingredient (together with Burley) of fine-cut chewing tobacco. Some of it is manufactured directly into smoking tobacco and snuff.
- One Sucker, a dark air-cured tobacco, type 35, farmed in a small part of south-central Kentucky. The total crop in the state in 1971 was 9,000,000 pounds. The leaf has several uses: in plug and twist chewing tobaccos, in short-filler cigars, and in an exported pipe tobacco.

This type is characterized by very long, narrow leaves with exceptionally large midribs. Its name derives from an essential cultural routine. Second-growth sprouts ("suckers") appear at leaf axils after the top of the plant has been broken off. (Topping maintains nourishment in the plants.) These suckers must be removed several times in some types during the growing season. Formerly, the operation was necessary only once with One Sucker tobacco prior to harvesting.

Tillers and toilers

It requires an impressive number of people—about a quarter of the United States tobacco farm population—to grow and harvest and cure Kentucky leaf and prepare it for market. A recent survey indicates that there are 170,000 of these early-rising late-abedding farm families in Kentucky. All but 15 percent of them were growers

of Burley. Four workers in a farm family is an average.

There were 149,594 tobacco farm allotments for Kentucky in 1971. A few farms have more than one type allotment. More than one family may be working on the large farms. At planting, harvesting and stripping times, the farm population is somewhat increased.

A recent analysis showed that during a ten-month period an average of 339 hours of labor an acre is required to produce a Burley crop in Kentucky. At an estimated running outlay of \$950 an acre, the capital needed to produce the 1971 Burley crop in Kentucky came to about \$135,850,000. Growers have to finance their farming operations, including wages to hired hands, until their crops are sold at auction—their sole payday.

The art of hand labor is retained in most phases of cultivating, harvesting, and curing. Equipment for accelerating the chore of transplanting has largely eliminated that general occupational backache, but the human element is still a controlling factor in the operation.

Crop procedure and improved research

"Making" a tobacco crop involves more hand labor than any other major agricultural activity. Seeds are planted in a treated seedbed during March, transplanted to the field in late May and early June. Disease and insects are very destructive during the summer and require careful attention by the grower. When the plants have reached the bloom stage, the flowers are removed so that full-bodied, highly aromatic Burley can be produced. Suckers are not allowed to grow.

The crop is cut by hand in September and placed in a barn built for this purpose. It is then air cured for two months. After curing it is then removed from the



Spraying tobacco for insect control. A modern farm tool employed by many Kentucky farmers

Courtesy of the University of Kentucky, College of Agriculture

barn, hand-striped into grades and marketed in December to cigarette manufacturers. The leaf is then packed into 1,000-pound hogsheads for the "long sleep." After several years, the Burley is then ready to be manufactured into the blended cigarette with Flue-cured, Maryland and Turkish tobaccos.

The Agricultural College at the University of Kentucky has been engaged in tobacco research for a long time.

This research has meant tobacco farmers can use the latest techniques in producing high quality tobacco for the tobacco industry. Tremendous progress has been made in the following areas:

Varieties: Development of varieties that are resistant to major diseases in Kentucky.

Rotations: A rotation plan has been incorporated that allows high quality Burley production and at the same time improves fields on farms for other crops and livestock.

Fertilization: The generous use of nutrients to produce more tobacco on less land. This releases land for the production of other crops and livestock on the farm.

Management: A management program that qualifies the Burley grower as being one of the best production managers of any group of farmers in the United States.

Intensive studies are now being done at the College of Agriculture, University of Kentucky in the areas of mechanization, smoking and health, chemistry of the tobacco plant, insecticides and residue studies on tobacco leaf, agronomic studies in all areas of production and economic aspects of production.

Taking in and drying out

Meanwhile, the standard procedures persist in fields and barns. A few Burley farmers will first remove matured lower leaves by hand before full-scale harvesting. Soon after this operation, called "priming," the plants are cut down, stalk and all. This method of taking in a crop applies to all types grown in Kentucky. Five or six of the plants are then speared onto sticks.

Burley, Green River and One Sucker tobacco plants are hung in barns and cured by air. The process, which starves the food reserves in the plant, takes four to six weeks. By then the leaves will have dried out and have the desired color: tan to reddish brown.

There has been some experimentation with "bulk curing." By this method some thousand pounds of leaves, stripped from stalks, are placed in a specially designed unit. Heat, conducted by flues, is provided by an oil furnace. Curing by this process can be completed in a week or less.



A typical Kentucky air-cured tobacco barn

Courtesy of the University of Kentucky, College of Agriculture

The matter of taste is the simple explanation of why there is such a variety of tobacco commodities, such a multiplicity of brands. Some users of snuff, various sorts of chewing tobacco and strong cigars, for instance, prefer a smoky flavor in these products. So long as they do, the leaf ingredient will continue to be fire-cured.

After the plants have had a few days of barn-curing, hardwood or hardwood sawdust fires, built on barn floors, are kept burning slowly and at low temperatures at first, for a three- to ten-day period in some areas, from ten to forty in others. The cured leaves are stripped from the stalk when humidity conditions are favorable.

Fire-curing is a very old method. The early colonists of Virginia used the method, which was common among some Indian tribes. But the fire-curing of leaf as practiced by colonial farmers had a special purpose—to prevent deterioration of tobacco on long sea voyages.

Bid and take

Cured tobacco is a commodity that must be marketed promptly. It is a delicate article of commerce, liable to spoilage under unfavorable weather conditions.

As the cured leaves are stripped and sorted a single tie leaf is tied around the butts of a number of them to make small bundles called "hands." (Though tied, tobacco prepared in this manner for sale has long been designated as "loose leaf," to distinguish it from tobacco packed in hogsheads.) The hands are carefully stacked in bulks, tips in, butts out, to retain moisture and then trucked to auction warehouses. Not all Kentucky tobacco goes to auction. A small part of the fire-cured crops—in recent years under 10 percent of eastern district, and an insignificant amount of the western district type—is "country sales," being sold by farmers at their barn doors.

There have been little or no changes during the past few years in the number of markets, warehouses or selling periods in the Kentucky tobacco-sales towns. The 1971 auction season was, therefore, a typical one. The colorful, exciting annual event took place in 231 sales warehouses of 30 Burley markets during the 1971-72 season. Sales began near the end of November and concluded in mid-January except at Lexington, where volume usually necessitates closing a few weeks later. Lexington, the world's largest "loose-leaf" sales center, ranks first among Burley markets; gross sales totaled about 65 million pounds of the 1971 crop.

Burley auctions ran from 11 selling days at Mayfield where other types of tobacco are sold throughout the sales season, to about 40 days at Lexington. Under regulations, firms operating on a basket basis—"hands" are packed on baskets in sales lines on warehouse floors



Harvesting Burley tobacco

Courtesy of University of Kentucky,
College of Agriculture

—sold a maximum 1,260 baskets in a three-and-a-half-hour daily period. Auction houses that sold on a poundage basis were limited to 340,200 pounds a day—the allowable maximum is 1,800 baskets—for each group of buyers.

When the final figures were in they showed that 341,090,000 pounds of the producers' 1971 Burley crop had been sold with a value of \$276,889,000—an average price of \$81.18 per hundred pounds.

Other markets, other types

Sales across state lines are part of the selling pattern. In this category was a total of some 7.2 million pounds of 1971 Kentucky Burley. Over two-thirds was sold in Tennessee; more than 2,000,000 pounds in Indiana. Boundary state farmers sent in around 13.2 million



An auction scene

Courtesy of the University of Kentucky,
College of Agriculture

pounds of Burley—11.6 million pounds or so pretty evenly from Indiana and Ohio and about 1.4 million from Tennessee—to be sold in Kentucky auction warehouses.

Warehouse sales of the fire-cured types on 12 floors in three markets yielded about \$7 million for about 13.2 million pounds. Over 8.2 million pounds of the One Sucker type brought over 3.8 million through the 21 sales warehouses of four markets. Over 4.8 million pounds of Green River tobacco sold in the 15 warehouses of three markets for more than \$2 million. There was the usual across-the-border movement of fire-cured and dark-air types into and from Kentucky for auction selling. The cash receipts total from sales of Kentucky tobacco represents 74 per cent of the value of all farm cash crops grown in the state.

Among the nearly 400 Kentucky firms and individuals that buy, sell, process, sort or otherwise handle tobacco

leaf are 167 companies operating more than 250 auction warehouses. A well-established trade organization, the Burley Auction Warehouse Association takes an active role in maintaining market places for producers and sellers.

Six-continent markets

Since the early national period, Kentucky tobacco has had foreign outlets. The types now exported—and for more than the past century—differ from those that reached European importers via the Mississippi in the late 18th century or went first to eastern ports of the United States from early in the 19th century.

Burley leaf is shipped to all continents. West Germany, Sweden, Italy, Denmark, Switzerland, The Netherlands, Japan and Thailand are the major buyers. A little of it, though very little, even reaches such places as Barbados, Israel and Ireland. In the broad field of foreign markets the Burley and Dark Leaf Tobacco Export Association functions as an agency to increase consumer outlets for these leaf types.

The first-cured types went chiefly to The Netherlands, Switzerland, France and Belgium, with markets in all continents taking small to fairly large amounts. The large buyer of Green River tobacco is the United Kingdom. It is estimated that dark air-cured exports in 1971-72 will approximate about 2 million pounds, with Tunisia, Belgium, and the United Kingdom the principal markets.

Black Fat

One Sucker tobacco is the principal raw ingredient in an unusual commodity: Black Fat. This is supplied by

a separate and highly specialized division of the export industry, the rehandling trade.

This trade came into being in the 1880's as a direct result of a shipwreck on the northwest African coast. Some of the vessel's cargo of tobacco leaf had been salvaged. It had become black and gummy but the inhabitants of the area liked it that way. Thereupon a small number of American export companies went into the business of supplying this special dark tobacco.

Tradition has it that the original consignments of leaf, once the trade began, were treated with oil as were the hogsheads. This was a practical step necessitated by poor harbor facilities or shallow waters. At various points of entry in northwest Africa, the hogsheads were floated ashore. Their oily coating protected the leaf from a saline bath.

Some fire-cured tobacco is included with the One Sucker type. The blend is treated by methods regarded as dark trade secrets. The preparation of Black Fat (sometimes referred to as Dark African) is governed by the various local markets for which it is intended, and its utilization by very knowing and particular consumers.

C Connoisseurs' market

To prevent rejection by buyers, therefore, a dozen stringent requirements apply to the final form of Black Fat, among them being the grade, quality, color, and especially the length and width of leaf, the dressing and even the shape and size of the container. Hands of four to six leaves are steamed and then almost saturated with mineral oil (partly as a preservative). Sometimes other flavorings are added and the treated product is packed in boxes under very high pressure. Then it is shipped, chiefly to Nigeria and Western Africa—together these countries took over 1.5 million pounds in 1971—and in far smaller amounts to other countries, including the

West Indies. The declared export value of about 2.6 million pounds of this unmanufactured, semi-processed tobacco in 1971 was close to \$2.5 million.

Black Fat is the preferred smoking tobacco of numerous African natives. Some of these people mix the composition with a powdered fruit nut to make snuff. Various tribes use Black Fat as a commodity in exchange for rubber, hides, oil, and other native products.

Production Line and Producers

The export trade involves the labor and services of trucking firms, railroads and cargo lines. It is an important but small part of Kentucky's complex tobacco industry. The manufacturing of tobacco, together with its labor force, plants and other factors associated with it, represents the major economic segment of the industry.

In this division the chief production is cigarettes. The making machines of four factories, all in Louisville, turned out nearly 107 billion cigarettes in the latest year of record.

Over 33 million pounds of chewing tobacco and smoking tobacco came out of four Kentucky factories. A few establishments manufactured nearly 310 million cigars, of which all but a small portion were in the medium-price class.

Tobacco and the economy

The adjusted value of tobacco products, created by the process of manufacturing, was in the area of \$400,000,000. This indicated value serves to measure the contribution of Kentucky's tobacco manufacturers to the economy.

Apart from seasonal workers, who increase the total by several thousand, the average number of employes

in Kentucky's 33 major tobacco plants in 1971 was in the range of 11,300. Their wages and salaries totaled over \$65 million. Additionally, a labor force of varying size is employed by rehandling plants, leaf tobacco dealers, packers and others.

Supply network

There is a steady flow of materials, equipment and supplies into Kentucky to meet the needs of farmers and manufacturers. A map of the sources would include a good part of the United States. Among the many hundred individual items essential to production in fields and factories are plant nutrients and agricultural equipment, heavy machinery of domestic and foreign manufacture, precision instruments, paper goods, packaging material, and flavorings.

The great number of trades and services generated by the social uses of tobacco has long added to the economic importance of the tobacco industry. In Kentucky itself are 30 firms that specialize in services, materials and equipment for farmers and manufacturers.

Outlets and outlays

Kentuckians are no different in their tobacco-buying pattern from other Americans — the largest consumers of cigarettes anywhere. In 1971, through 27,310 retail outlets (vending machines and private clubs included), they bought over 10.5 billion cigarettes in 426,100,000 packages with a retail value of almost \$160 million.

They also bought cigars, smoking and chewing tobacco and snuff, pipes and other smokers' articles. The wholesale value of tobacco products distributed in the state in 1971 was estimated to be \$106,240,389. Of this total, cigarettes represented over \$94 million, cigars, about \$9 million.

Fiscal contributors

Everyone buying a package of cigarettes in Kentucky, as elsewhere in the United States, pays a federal tax of 8 cents. Additionally, a state excise of 3 cents is applied to each package and there is a 5 percent sales tax. The total yield from these various tax sources represents a substantial contribution to federal and state treasuries.

Voices have been raised in protest against the multiplicity of taxes. A practical Kentucky farmer, Virgil Steed, author of a book published in 1947, is among the commentators on the subject. He remarked: "The profiteering middleman (in tobacco commerce) is government — municipal, state and Federal . . . tobacco has carried more than its fair share of the tax burden."

The original tax on cigarettes in Kentucky, 1 cent on each 20, became effective in 1936. Increased to 3 cents in 1954, it was reduced to the $2\frac{1}{2}$ rate in 1960 and increased again to 3 cents in 1970. Revenue from the additional half-cent increase is currently being used by the University of Kentucky as part of a world-wide attempt to do further scientific research on many aspects of smoking and health.

Since the inception of the tax the gross yield to June 30, 1971 has been over \$247 million. Income from this source goes into the state general fund. Its benefits to all Kentuckians — smokers or not — are visible through the construction and maintenance of schools, hospitals, roads, bridges, and in community services.

Kentucky's predominant agriculture and the commercial operations that meet consumer demands for tobacco products have an impact on every division of the state's economy and on a good part of its social life. The current commerce has its roots in times long past. The theme of tobacco is intimately woven into the history of the Bluegrass State and the theme is not only an interesting one; some of it is unusually dramatic.

ORIGINS AND DEVELOPMENT
OF
TOBACCO AGRICULTURE
AND
INDUSTRY
IN
KENTUCKY



The road to Kentucky is pointed out to Daniel Boone and his companions

Primeval smokers

The earliest explorers—French and English—of the territory that became Kentucky saw no evidence that prehistoric inhabitants of the region had been inveterate tobacco smokers. Even if they had come upon the evidence, it is very probable that they would not have understood its significance.

For the proof that tobacco had once been abundantly cultivated in the “beautiful wilderness” lay in the mounds of the Stone Age aborigines. When these earth- or stone-work hillocks began to be uncovered in the early 19th century, they revealed a wealth of pipes among numerous other artifacts. Their quantity indicated clearly that tobacco had been an intimate part of the ceremonial and social life of a long-forgotten people who had lived in a primeval period of human culture. Many of these singular, one-piece smoking implements were remarkable examples of artistic craftsmanship. (A curious specimen, classified by archaeologists as an example of the handle disk type, about five inches long, is illustrated on page 1.)

Somewhere in the dim past the pipes of North American Indians had become more functional. Except for special uses, their artistic form was neglected. The Kentucky descendants of prehistoric inhabitants had evolved (or adopted from other tribes) the streamlined, simple pipe of clay. That was the pipe smoked by the Shawnees when white explorers first met them. These Indians maintained a few though temporary settlements in the great game country of Kentucky, long a battleground of Cherokee and Iroquois tribes. They grew just enough tobacco for their own needs.

Pioneer planters

It was the settlers from Virginia and North Carolina who once again made the "west" a tobacco-producing land. Just when they first came into the territory is a matter of speculation. Some historians set the date in the late 1660's. That is probably too early. Yet, in view of the colonizing spirit of the period and economic conditions in the older colonies, it may well be that restless men and their families found a way into Kentucky before 1700. There could not have been many of them. One thing is certain: as soon as they had cleared trees from a little tract, they did what many other American pioneers did—set aside a patch of the best soil near their vegetable plots for tobacco.

"The Wilderness Road"

Entree to the rich new land became easier after Dr. Thomas Walker discovered the Cumberland Gap in 1750. He had been engaged, as surveyor and agent, to head an expedition to the west on behalf of the Loyal Land Company of Charlottesville, Virginia, which had obtained a huge land grant in the western territory. The Indian trader, John Finley (or Findley), who reached present Louisville by canoe via the Ohio River, in 1752, encouraged settlement by his glowing description of the land. His account encouraged Daniel Boone of Yadkin County, North Carolina, who made his first visit to Kentucky in 1767 shortly after meeting Finley. Thereafter, when leading pioneer families into the "Garden Spot of the World," at each camp site Boone carved on the nearest big tree, "This is the way to Kentucke."

Travelers regularly brought back the good news to inhabitants of the southeastern tobacco-growing colonies

that the climate of the new territory was temperate and the soil ripe for tobacco. That was an inspiration for men bred to that agriculture, eager to leave the "overworked" farms of their communities and perhaps find economic independence elsewhere.

Western Eden

Something about Kentucky inspired fervor among those who visited and described it. (The pattern of using only superlatives in relation to the Bluegrass State, thus early begun, seems never to have altered.) It seemed no exaggeration to Kentuckians when a pastor, commenting on the beauty of the land, remarked to his flock, "Heaven is a Kentucky of a place!" There were other contemporary enthusiasts. One of them, whose opinion was frequently repeated, was a Virginia circuit judge. He had returned from a tour of the Bluegrass region. As a reference, he mentioned the most noted scenic spots of Virginia and then went on to say that, compared with Kentucky, "When God made (those spots), He was just practicing."

A proclamation issued in 1763 by George III forbade British subjects to settle west of the Appalachians. Colonial pioneers simply ignored the edict. During the period of first settlements, Kentucky territory was a political part of Virginia. The Assembly of that colony in 1772, when it learned that settlers were moving into the "west," had designated it Fincastle County. Four years later the area was officially separated into three counties. One of them, West Fincastle, was called Kentucky, and that soon became general for the whole territory. The name came from "Kenta-ke," the Iroquoian appellation for a Shawnee site signifying "prairie," or "meadow." It

also meant "the place of many fields," and similar synonyms in a confusing group of meanings.

"The dark and bloody ground"

Interest in colonizing the territory was intensified as the result of a pow-wow Judge Richard Henderson of North Carolina and a group of fellow land speculators held with 1,200 Cherokees at Sycamore Shoals on the Watauga River. That was in 1775. A treaty was made whereby an enormous tract of "Cane-tuck-ee" was bought, for £10,000 in goods. The purchase was denounced by Governor Martin of North Carolina as one concluded by "land pyrates." Lord Dunmore, governor of Virginia, denied Henderson's right to hold the land, and the purchase was later voided by the Virginia Assembly. Henderson and his associates had named the new territory Transylvania. When the issue of ownership was finally settled, the Transylvania Land Company was awarded a tract of 200,000 acres.

At the time of the original transaction, Chief Dragging Canoe, who had opposed it, spoke obscurely of a "dark cloud" (the northern tribes) hovering over the territory. Another unfriendly chief had referred to the land as "bloody country." He probably had in mind the incessant warfare between southern and northern Indian tribes in the Kentucky hunting grounds, a warfare that had prevented permanent Indian settlements. Whatever was then said or intended, it was later stated that the Indians were of the opinion that the whites had "bought a dark and bloody ground." The phrase was long attached to Kentucky. The survivors of early pioneer families who were victims of murderous Indian attacks thought the phrase an appropriate one.

Roots in the soil

By 1774 the first permanent settlement in Kentucky had been made at Harrodstown (later, Harrodsburg). A year after that, Daniel Boone, under the auspices of the Transylvania Company, had established a village, Boonesboro, on the south side of the Kentucky River. In consequence of the Company's interest, Boonesboro for a while became colonial headquarters but by 1810 it was all but abandoned.

Settlers began to flock in, all eager to work the soil, to plant tobacco and wheat, and to produce hemp. The newcomers had bought tobacco seeds of the same varieties as those grown in the colonies from which they had migrated: Sweet-scented and Orinoco. The new soil produced tobacco of good weight and fair quality but curing was, for some time, rather haphazard. Planters maintained the procedures in culture and barn management they had learned back home. Some leaf was air-cured, chiefly for local use, but the general pattern was curing by smoky fire. There was a well-established market in various European countries for the heavy, dark-fired type—and the farmers of Kentucky hoped to reach that market. The belief was firmly held in the early years that good tobacco could come only from virgin soil. Each year, therefore, seedlings were set in newly cleared fields.

Tobacco economy

Specific Acts of the Virginia Assembly, from 1783 on, had brought the erection of warehouses on the Kentucky and other rivers. They were, at first, crude log cabins. Appointed officials inspected the leaf, ordered any of inferior quality burned, and issued receipts for accepted

tobacco. These were used in payment of public debts and taxes, at 20 shillings the hundred weight. Inspectors charged 10 shillings per hogshead for examination and storage. A warehouse had been erected at Louisville by a Colonel Campbell as early as 1783.

The rich, phosphatic, limestone soil of Kentucky was ripe for tobacco and other commodities. It was reported around 1789, in the Louisville area, that

Three times the quantity of tobacco and corn can be raised on an acre here than can be within the settlements on the east side of the mountains, and with less cultivation.

In the communities from which the settlers had come, tobacco had been a cash crop. A man could depend upon it, to some degree, as part of his livelihood until the soil "wore out." But geographic and political conditions were curbing the interest of farmers in growing tobacco. For a time it seemed that the only reason for continuing the agriculture was to produce for taxes.

The Spanish curtain

The difficulty lay entirely in the hard fact that there was no way in which the yields of numerous tobacco farms could be delivered to markets. The long water route to the East, via the Ohio, was impossible, the land routes impassable, and the Spanish had a tight hold on the logical market, at the throat of the Mississippi. What was needed at this juncture was a merchandising genius, a master distributor, a brilliant sales promotion man.

Enter General Wilkinson

He turned up, unexpectedly, in the person of James Wilkinson. At first glance he hardly seemed the right

man for so big an assignment, at least not as a commercial entrepreneur. He had lost the fortune of his wife, formerly Ann Biddle, a Philadelphia society belle, in a business venture. Then he had migrated to Kentucky and in 1784 opened a general store at Lexington in the heart of the country where the grass turned steel-blue each May. There were about 20,000 white people in Kentucky then; more were coming in daily and it seemed to Wilkinson that a general store could hardly fail.

But Wilkinson was no shopkeeper. Even his enemies, of whom he had an unenviable share, conceded that he was an unusual man. He had courage to the point of audacity, he had imagination, he was charming—but it was said that his ambitions made him unscrupulous. During the American Revolution he had served with Benedict Arnold in the Quebec campaign. At the age of 20—he was born in 1757—he was appointed a brigadier-general on the recommendation of General Gates.

Trial run

In 1786 Wilkinson conceived the idea of breaking through the export barrier the Spanish-American government had set up at Natchez and New Orleans. Everything considered, he thought it unwise to risk too much on that first venture. Wilkinson had founded Frankfort in 1786 and it was from that area that he set out by flatboat in April 1787 for the strenuous voyage on the Kentucky River northward to the Ohio.

At the Falls of the Ohio (Louisville) the cargo of tobacco, bacon and flour was transferred to two flatboats. When they reached Natchez they were seized, as expected, but Wilkinson's ready tongue—and probably some generous bribery—convinced the Spanish authori-

ties that they should promptly release boats and crew. Wilkinson then sent them down the Mississippi to New Orleans. A few days later, in late June or early July—a matter of skilful timing—he appeared at the export city. The flatboats and cargo had been confiscated.

Front men and conspirators

Preceding Wilkinson's appearance an American businessman at New Orleans who had been thoroughly instructed by the master mind had had an urgent talk with Don Esteban Miró, governor of Louisiana.

Seizing the property of an American general, even though a foreigner, simply isn't done. It will enrage those hardy Indian fighters, the Kentuckians. They'll come swooping down and take New Orleans. This may be a clever scheme on the general's part. Better talk to him, your excellency. Furthermore, you know the Kentucky planters are angry at the federal and Virginia governments for not helping them get their produce out...If they separate from the Union, they might become a Spanish province. General Wilkinson could be most useful. Better see him, your excellency...

Based on contemporary conditions and immediately succeeding events, that was the substance of the arguments advanced by Wilkinson's contact man. The seized cargo was released, Governor Miró and Wilkinson met, friendly relations were established. As a result of that first meeting, and subsequent ones, the "Spanish Intrigue," so intriguing to historians, had its origin. The intrigue revolved about a nebulous plan—Wilkinson was

among several Kentuckians supposedly involved—to separate the western territories from the United States and place them under the protection of Spain.

Secret agent—or monopolist?

Before Wilkinson returned to Frankfort in February 1788, via Philadelphia, he had sworn an oath of allegiance to Spain, apparently a routine formality imposed on foreign merchants. What was not routine was that he had become an agent—"Number 13" on the diplomatic records of the monarchy—and was on the Spanish payroll. Yet Wilkinson was a doubtful character, in any meaning of the word. For no one, despite heavy research, has been able to prove that he was actively engaged in the subversive scheme of breaking away the western territory. Wilkinson, born to the cloak and dagger, was a master at concealing his real motives. Probably taking advantage of a political situation, he merely wanted the trade with the Spanish at New Orleans—provided he could monopolize it.

What Wilkinson did announce on his return was that the route to domestic eastern markets in the United States and the markets of Europe was now open. His friends received him "as an ambassador who had gained greater concessions from Spain than the Federal Government had been able to secure." This "epoch-making event," wrote a present-day historian, "was the actual beginning in the heart of Kentucky of world export trade by river." Wilkinson had in effect (or so he thought) control of Mississippi River commercial traffic from Louisville south. The Spanish authorities, already large buyers of Mississippi and Louisiana tobacco, now offered to buy that produced in Kentucky and Tennessee.

Freedom of the Mississippi

It was a deep shock to Wilkinson when a royal order issued in Seville, December 1788, permitted Americans to enter goods at Mississippi River ports on payment of the Spanish entry duty. The home authorities had obviously had sober second thoughts about Governor Miró's concessions to Wilkinson. Yet, though the river was open to those who dared risk its passage, Wilkinson had the advantage of precedence, the right political connections, and a developing organization.

He had circularized all likely local districts, asking for large quantities of tobacco, to be shipped to New Orleans. When the cured leaf came in, and it came in promptly, he issued receipts which frequently passed as currency. As an entrepreneur he was tough-minded. He made a fixed charge for inspection, and six shillings per hundredweight for freight when taken on the Kentucky River, or four shillings sixpence if loaded at Louisville. After charges were deducted from the sale proceeds, the planter was to receive 15 shillings per 100 pounds "should so much arise, . . . after which any surplus remaining" would be divided in the proportion of two-thirds to Wilkinson and one-third to the consignor.

All shipments were at the owner's risks—and the risks were there. Apart from the physical hazards of river traffic that caused boats to capsize, sink or run aground, there were river pirates and murderous Indians. For a while, too, outlaws and white renegades infested the long route. They were dangerous, for their call for help, afloat or ashore, when sympathetically answered, too frequently resulted in the seizure of a boat and the massacre of her crew.

Tobacco armada

Under Wilkinson's "system," fleets were made up at Louisville. A resident of that town, in a letter published in the *New York Journal and Weekly Register*, March 5, 1789, wrote that in January a fleet of 25 large boats controlled by Wilkinson started for New Orleans, freighting chiefly tobacco and flour. Some of the boats carried 3-pounders

and all of them swivels, manned by 150 hands, brave and well armed, to fight their way down the Ohio and Mississippi into the gulph of Mexico. (Wilkinson) has been very unjustly censured, by the inconsiderate part of mankind, for having monopolized the Spanish trade, but the more expanded mind acknowledges, that to his penetrating genius, Kentucke stands indebted for having procured its citizens a market . . .

Golden tobacco

Wilkinson's boast that he had opened the Mississippi for the products of Kentucky was justified. Customs records at New Orleans for 1790 showed that 250,000 pounds of tobacco had been registered in that port alone. (Most of it was grown in Kentucky.) Other entries were made at Natchez. An incalculable amount was smuggled in or went to sea without benefit of customs permits. The annual purchases by Spain amounted to a maximum of two million pounds. And the prices paid were high. Tobacco which had been selling for \$2 per hundred-weight in Kentucky brought \$9.50 or \$10 in Spanish coin

at the Mississippi ports. The proceeds were frequently used to purchase slaves, livestock and household goods.

Louisville was the only port on western rivers in 1789 and for ten years thereafter. Yet it remained for some time a minor concentration point compared with Frankfort and Lexington. The latter town, by 1791, had its own tobacco factories, as reported in the *Kentucky Gazette* of that year. Tobacco hogsheads were making rolling roads from central Kentucky to the Ohio. A few years after Wilkinson's first barges negotiated the difficult passage on the Kentucky, therefore, commercial traffic up the river was all but abandoned. The boom in tobacco had caused Kentucky farmers to petition the Virginia General Assembly at Williamsburg, on various occasions between 1787 and 1790, for more river warehouses.

Shipping Leaf

The efficiency of Wilkinson's operations in delivering shipments was generally conceded. (Yet, despite his best efforts, the final results proved to be unprofitable for him.) Because of his exorbitant charges, a number of planter-merchants organized river transports of their own. Among the independent traders was John Hally, who had opened a merchandise store near Boonesboro. It was he who, according to tradition, first shipped Kentucky tobacco directly to England, via the Mississippi. Exports of tobacco grown in the United States in the 1790-1791 period were high. More than half of the 118,000 hogsheads shipped out in 1790 went to England. The value of the total was over \$4.3 million. Flour exceeded tobacco very slightly in export value. Tobacco was again the export leader in the following year—a place it was not to resume again until 1840.

The river roarers

Traffic on the Ohio and Mississippi had become heavy. It brought in a new breed of boatman, "a sort of amphibious animal—kind-hearted as a Connecticut grandmother, but as rough as a Rocky Mountain bear." Their exploits became legendary, and some of the characters may even have been mythical.

Among the boisterous crews who were to be found on the boats were a number whose existence was not a subject of later doubts. Conspicuous among them were such "river rats" as "Little Billy the Earthquake," out of Florida, an expert at eye-gouging and, most notably, Pittsburgh-born Mike Fink, so skillful a marksman that he was frequently referred to as "Bang-All."

They were to be found as "captain," or sometimes as a crew member on barges or flatboats (the "Kentucky broadhorns"), manned by 40 to 50 hands and carrying loads of 50 to 60 tons. Keelboats, which did not have to be laboriously rowed or dragged against currents upstream when returning to Louisville, usually freighted 20-30 tons and had a crew of ten. Louisville was the boatmen's meeting-grounds, Natchez their recreation center, the rivers their home.

Keel boatmen

Mike Fink had graduated to keelboats early in his career on the Ohio. It was a convention of the blustering boatmen that they announce their presence in saloons or elsewhere by roaring out a brag. Fink's was typical. After assuring any audience that he had drunk only whiskey in his cradle and boasting of similar accomplishments he would go on to say.

*I love the wimmen an' I'm chockful o' fight!
I'm half wild horse and half cock-eyed alli-
gator . . . I can hit like fourth-proof lightnin'
. . . I can out-run, out-jump, out-shoot, out-
brag, out-drink, an' out-fight, rough-an'-
tumble, no holts barred, ary man on both sides
of the river . . . I ain't had a fight for two days
an' I'm spilein' for exercise.*

They were rough, but Mike Fink was representative of the dependable boatmen who would deliver a cargo where it was supposed to go, and deliver it dry. Tobacco packed in hogsheads or casks were, by regulation, a minimum thousand pounds. It took stout men to handle them. One of Wilkinson's shipments, for instance, included 120 hogsheads on three boats. On one occasion Wilkinson had the unpleasant duty of informing consignors that a flatboat with 40 hogsheads of tobacco had sunk but that he hoped to salvage part of the cargo. With the advent of the Mississippi steamboat, after 1811, the rowdy boatmen drifted to other occupations.

New Orleans Blues

At the end of 1790 the Spanish authorities announced that thereafter tobacco purchases would not exceed 40,000 pounds annually. It was a shock, but less to Kentucky tobacco planters, many of whom began to turn to wheat and a larger production of hemp, than it was to farmers to the south. The Spanish had the grace to explain that the Seville warehouses were overstocked with tobacco. At the same time they complained that leaf exported to Spain—not necessarily from Kentucky—was of poor quality and that packers had included trash in hogsheads to meet the weight requirement.

A contemporary observer reported that in the spring of 1790 hundreds of hogsheads of tobacco were on the

New Orleans market at \$5 per hogshead for ordinary grades. He went on to say,

The Brig in which I sailed was loaded with tobacco purchased at \$5 to \$10 per hogshead which I afterwards saw selling for four and five dollars per cwt. in Philadelphia.

It was in late 1791 that Wilkinson, "disgusted by disappointment and misfortunes, the effect of my ignorance of commerce," abandoned his export trade and reentered the United States Army.

The first western state

Kentucky became a State of the Union in 1792 and Frankfort, still a busy tobacco town though its population was under 500, was named its capital. Immigration into Kentucky had continued unabated. An estimate of residents in the year it achieved statehood was close to 100,000. That meant an important consumer market at the tobacco farmer's doorstep.

At the first meeting of Kentucky's General Assembly in 1792 it was enacted that all fees of officials payable in tobacco should in future be collected in the currency of the state. Later in the same year the legislators adopted the Virginia system of warehouse inspection and allowed the issuance of assignable and negotiable notes for use in paying public and private debts. Court fees, fines and forfeitures were, however, recoverable only in currency at the rate of one penny for each pound of tobacco.

An old Spanish custom

Kentuckians and other Americans hampered by Spain's restrictive (and volatile) policies were becoming

increasingly restive. Their representations to the federal government demanding action against Spain became more numerous. The chief officials in Washington, and the president, too, were concerned over the situation. They were well aware of the "Spanish Intrigue" and its dangerous potentials. The best American diplomats were assigned to the problem of converting Spanish policy to a less arbitrary one in the treatment of Mississippi River shippers. By the Treaty of San Lorenzo, October 1795, Spain agreed to free navigation on the great river and, equally important, to duty-free deposit at New Orleans pending exportation. With the signing of the treaty the Spanish clique in Kentucky abandoned whatever schemes its members had had.

Nearly three years of "mañana" passed before the New Orleans deposit was actually opened. Kentucky tobacco farmers were ready, and thousands of hogsheads of leaf were freighted down the river. Then, to everyone's astonishment except the Spanish, the deposit was suddenly closed in October 1802. Napoleon may have had something to do with that for, though few knew it exactly, France had acquired the vast territory of Louisiana by retrocession.

Real estate bargain

Planters and traders of Kentucky had been outraged before by Spanish commercial and political behavior. The latest demonstration infuriated them. They may not have been entirely responsible for the step the federal government took promptly upon news of the New Orleans closing. But the anger openly expressed by Kentuckians and their neighbors did serve to accelerate a governmental decision that had been in the making. The result was the Louisiana Purchase in 1803, the most important of all real estate transactions and an unbelievable

bargain. With all costs considered—the initial bill of 60 million francs (\$11,250,000), payment of claims of American citizens against France, and interest charges—the total came to something over \$27 million, or about four cents an acre for the land acquired!

Wheat and tobacco

The uncertainties attending the export market for Kentucky tobacco since 1791 had brought about a desirable diversification of agriculture in the state. Hemp had shared with tobacco in commercial importance and now flour was becoming the major product. A report to the Secretary of State at Washington in 1798 said, in part:

In the beginning tobacco was the principal export from Kentucky and at one period from fifteen hundred to two thousand hogsheads came down the Mississippi annually for three or four years . . . Within the last three years the exportation of tobacco has considerably diminished and flour seems to take its place.

Five years later flour was, in fact, the major export commodity from Kentucky to New Orleans. The production of tobacco had been curtailed by the older planters but new settlers were continuing in an agriculture with which they were most familiar. There was plenty of cured tobacco available. An advertiser in 1804 offered 30,000 pounds of good leaf "three to four years old" to be sold at New Orleans, and others were offering to exchange merchandise for cash or tobacco. And between 1792 and 1810 the Kentucky River banks held 42 new tobacco warehouses. These were, since an enactment of 1803, more substantial buildings than the log cabins of the preceding era. It seemed only logical that towns developed wherever these warehouses were erected.

Part of a tobacco inspector's duties was to burn leaf refused as worthless. This regulation had been included in warehouse and inspection laws until 1808. It was then enacted that, effective June 1809, an owner had to dispose of his unacceptable tobacco by any means he preferred. He was not permitted to repack it in "any cask of crop or transfer tobacco." Quality control of tobacco leaf had been subject to official supervision since an early period in Virginia and other colonies.

War economy

The farmers and merchants of Kentucky and in neighboring states and territories had felt that the opening of the Mississippi would usher in an era of prosperity. For a few years it seemed that their expectations had been justified. But the Jeffersonian philosophy of economic sanctions expressed in the Embargo Act of 1807 (and later Acts), and the Non-Intercourse Act of 1809, had cut deeply into the export trade. Then, though the Mississippi was free, the Atlantic was not because of British interference with American shipping. By 1811 Kentuckians were vigorously demanding a war against Great Britain as the only means left to prevent seizures of their export shipments.

During the War of 1812 many tobacco growers in the Bluegrass region turned to livestock and the production of various farm commodities. But the importance of tobacco as a cash crop was not underestimated by other farmers. In the year the war began, new settlers in Logan County devoted themselves largely to tobacco. Among them was Thomas Morrow, out of North Carolina, whose development of a fine leaf gave it his name.

Some of the tobacco was laboriously dragged to the Cumberland River and then freighted by boat to New

Orleans where it sold for low prices. Some was taken to markets twenty miles away and disposed of to local buyers. Other growers who had too great a distance to go for a navigable waterway manufactured their own cured leaf. The product then went to Russellville, to Nashville, Tennessee, or to other not-too-distant markets.

Farm economy

What gave the greatest impetus to increased production was the exceptional price brought at New Orleans in 1817 for Adair County tobacco. Leaf had been selling for as little as 75 cents to \$2.50 per hundredweight at the great Mississippi port. The superior produce of Adair County brought about \$8.00 per hundredweight.

The buyer had been the agent of the French state monopoly, and prices for the same type, so suitable to French tastes, went even higher in succeeding seasons. Within the next few years the production of tobacco had been firmly established in the counties of Logan, Adair, Christian, and Barren and had become the most valuable of their cash crops.

Markets at home and abroad

There were three tobacco factories in Lexington in 1817 with a total capital of about \$57,000. A small one had opened at Hopkinsville in 1818 to supply local demand. Louisville, whose population was just about to reach 4,000, had a number of manufacturing plants, since before 1819. That river town was still some years away from the time when it would become the major shipping center for tobacco. Only about 500 hogsheads were received there annually in the 1815 to 1820 period.

The local inspector, who received £25 currency a year for his services, was sent for only when there was enough tobacco in the warehouse.

Frankfort and the nearby village of Leestown, which together had three warehouses, were active export markets in that period. In 1818 tobacco worth \$14,100 (in 282 hogsheads) had been shipped out from that district. Except for the tobacco of a few production areas in the south-central parts of Kentucky, much of the leaf was of poor quality. The consequent low prices in the period between 1819 and 1836 curbed expansion of the agriculture.

Yet, in 1821 planters were being advised by farm authorities that tobacco was "unquestionably the best crop the Farmers of Kentucky can at this time raise." Much of the tobacco of the state was taken by coastwise vessels out of New Orleans to Virginia for stemming and redrying. The Old Dominion, by 1818, had developed a considerable industry in processing Kentucky tobacco.

Tobacco from the Bluegrass State was reaching New Orleans in hogsheads averaging 1,300 pounds and in kegs and in boxes. More than half of the leaf received at that port went to United States ports on the Atlantic seaboard and then to domestic factories. Some of it went to the British who had adopted grading classifications for Kentucky tobacco. The London market in 1832, for instance, was offering the Kentucky product as "fine and leafy," "middling," "ordinary and old." Stripped leaf had a special category.

The fertile fields

It was in the late 1830's that Kentucky entered the period of its first great expansion in tobacco production.

Quality had improved, new types were being developed, prices were better, access to markets had become easier and several events of considerable economic importance had taken place. Louisville's first hogshead market had been opened by 1825.

With production at more than 53 million pounds in 1839, Kentucky was second only to Virginia in tobacco agriculture. Local dealers were now stemming tobacco for the English market instead of sending it to Virginia for that processing. In 1840, exports of American-grown tobacco reached about 119,500 hogsheads and thus for the first time exceeded the record of 1790.

Burley, Burleigh or burly

Some Yankees from Connecticut had begun the production of cigar-filler tobacco in Mason County. A considerable quantity was grown there from about 1843. It was to be superseded in commercial value (as was true in most of Kentucky) by a type more suitable for consumers in an era of tobacco chewing: Burley.

As early as 1838 small quantities of Burley had been grown in Kentucky, and before that in southern Ohio. It was a dark "leathery" type, cured by air, and among its numerous varieties ("Standup," "Rainbow White," "Red Twist Bud," "Little") the most common one was designated Red Burley.

While there is uncertainty about the origin of the term Burley, competent authorities believe that its varietal names derive from that of its original grower. It has also been suggested that this type was called after Lord Burleigh—just why, no one seems to know. There is no valid reason to accept the notion that farmers in



Planters and buyers at a Louisville warehouse auction in 1873

From Frank Leslie's Illustrated Newspaper

the area of its first development described the plant as “burly,” even if they spelled it “burley.”

Growth story

Frankfort, which had become a major primary market for tobacco by the mid-19th century, lost its predominant place to Louisville shortly thereafter. The capital was not, however, without other commercial resources—notably its distilleries so dependent on the limestone water of Bourbon and other central Kentucky counties.

By 1850 Louisville had 82 tobacco and “segar” factories. The value of products manufactured in these plants was about \$1.4 million, being exceeded only by that of foundries and pork houses. At that time the port city was the chief concentration point in Kentucky for tobacco. More than 16,000 hogsheads of tobacco were shipped from its docks in 1852.

The city's sales markets were more active than ever. It made the headlines when 244 hogsheads were sold off warehouse floors in a single day, May 8, 1852. Prices ranged from \$1.50 to \$7.05 per hundredweight, the latter for leaf from Mason County. (Twelve years later sales at Louisville warehouses totaled 63,000 hogsheads.)

Not all the tobacco took the Mississippi route to New Orleans. The Louisville and Nashville Railroad, a success from the time of its incorporation in 1850, was shortly to begin car-loadings of tobacco for delivery to eastern depots. Production of leaf in the state exceeded 108 million pounds in 1859, around 16 million pounds less than that produced in Virginia, long the major source of supply.

During the Civil War Kentucky became the largest tobacco-producing state. The fact, then general knowledge among growers, was proudly announced by Col. Laban J. Bradford of Augusta, Kentucky, in a published letter dated February 2, 1863. There had been a marked increase in harvests of the dark fire-cured types. Maximum production had been reached just prior to the beginning of the war.

"Bright" Burley

Through a fortunate accident of nature—assuming that there are "accidents" in nature—a revolution took place in tobacco farming. It affected other areas than Kentucky, as well, but that state became its chief beneficiary.

On a forgotten day in the spring of 1864, which should be celebrated by Burley growers, two tenants (George Webb and Joseph Fore) were seeding tobacco beds on

the farm of Captain Fred Kautz near the village of Hugginsport, Brown County, Ohio. Being short of seeds, Fore crossed the Ohio River to the farm of George Barkley in Bracken County, Kentucky. There he acquired seeds of Little Burley.

The seedlings that consequently developed were sturdy and of fine texture. But the leaf color was a "dirty yellow," and the tenant farmers, believing the plants unhealthy or dwarfed, destroyed them. In the following season, on George Webb's farm, some of the seeds obtained from Barkley were again sowed. When they displayed the same characteristics as the original lot, Webb was imaginative enough to transplant about a thousand of them. In their maturity the plants, described as "healthy and thrifty," had a stalk of unclassifiable color—"cream" is usually used as a vague description—and pale-green leaves. (Another farmer, Samuel Ellis of Brown County, Ohio, is believed to have grown the new "bright" Burley in the same season that Webb first experimented with his.)

Brown Gold

The "freak tobacco" caused a neighborhood sensation. When cured, the leaf was a bright yellow or cream color but the experts said that it smoked "bitter." Webb was advised not to risk any large acreage on the new sort. But he had acquired a good quantity of seeds, and following his own thrifty judgment planted enough of the type, by then called "White Burley," to cure 20,000 pounds. In its final form, its color was a delicate brown. (Today, it is light tan.)

At the Cincinnati market, to which Webb had consigned two hogsheads, the tobacco brought an excellent price. Then, at the St. Louis Fair in 1867, Webb's new

Burley won first and second prizes for cutting leaf. It brought \$58 a hundred pounds. White Burley was "in."

The spread of the new type, particularly through central Kentucky, was rapid. It thrived best on the soil of the Bluegrass (replacing hemp and other farm products there), and on "old sod." White Burley (the White was dropped later) quickly replaced the gummy, leathery Red Burley, long a staple in various areas. It could be harvested more quickly (by stalk-cutting) and cured more rapidly than other types. As a result of the steady development of Burley, tobacco soon dominated the farm economy of Kentucky. Its quality and taste improved, and manufacturers of smoking and plug tobacco—particularly the latter—became its biggest buyer. Burley tobacco is highly absorbent and an ideal leaf for heavily sweetened chewing and pipe tobaccos.

T The Glamour State

Kentucky, having now found a firm place in the national economy, began to enjoy the fruits of success. In relation to its major farm product, the only term applicable was "growth." The 142,000 acres devoted to tobacco in 1866 had become 320,000 in 1875, yielding 305,600,000 pounds of leaf worth \$20,170,000.

Except in specialized publications not much was written about tobacco in that period or later. There were subjects of far greater interest to the reading public. The pattern of glamorizing Kentucky—a century-old art—became more expressive. The last quarter of the 19th century in the Bluegrass State was to become the good old days when all was right in Kentucky.

Hyperbole was not confined to Kentuckians. Take, for example, the opinion of E. R. Billings, a Yankee author of a book on tobacco. He wrote, in 1875:

Kentucky planters are men of the largest endowments; Nature in her gift to them has been most lavish, and the princely fortunes which they have acquired shows how well they have benefited by her munificence. In manners affable, and in benevolence unsurpassed, the Kentucky planter gains the plaudits of all. He is polite to both friend and foe, and possessed with all of that polished manner which marks the true gentleman, and especially all growers of the "kingly plant."

"Plug the product"

Plug tobacco in its original form was created by back-woodsmen, most probably in the Kentucky-Missouri area. Curing barns were few and far between, factories non-existent so far west in the early pioneer days—but materials and tools for making a good chew were readily available.

Making it meant a little work. A small quantity of tobacco leaves was wedged into a hole that had been dug in a green maple or hickory log. The leaves had been saturated with homemade apple or peach brandy. The hole was then plugged. When the log was dry the "cured" tobacco was removed. Quite logically, chewers nicknamed the toothsome preparation "plug." Its use spread throughout the backwoods areas for some time before it was taken up by urban residents.

By 1880 Kentucky, with 48 chewing tobacco factories, ranked fifth in the national manufacture of plug, a commodity that had grown in popular favor since the period of Andrew Jackson. The daily exercise of the jaw required for the full enjoyment of this tobacco sweetmeat had developed some notable orators and a nation of

voluble talkers. Over 6 million pounds of plug came out of Kentucky's plants in 1880, and nearly 31.5 million cigars were rolled out of 107 "factories." The term "factory" frequently meant a single residence room in which one man operated.

Manufacturers of chewing tobacco in the United States, with thousands of brands to offer—over 12,000 were listed in the heyday of eating tobaccos—engaged in a "plug war." This began in the middle 1890's about two decades before the decline of the popular chew. The battle occasionally took the form of pushing "loss leaders" in efforts to capture a bigger share of the volatile consumer market.

The contest was not confined to the broad arena of sales outlets. With so many brands available, it spilled over into the field of nomenclature. The common method of brand labeling was represented by a bright-colored, pronged tin tag pressed into the plug, on which the maker's name or symbol was stamped. The tag meant a discount to the purchaser, for he could turn it in for cash or for prizes. During the "war" it seemed logical that chewing tobaccos of Kentucky manufacture were available under such brand names as *War Club*, *Police Club*, *Buzzard*, and the like.

Other factories of the Bluegrass State around the turn of the century were offering chewing tobaccos labeled *Boss of All Twist*, *Free Lunch*, *The Earth for 5 cents*, *Pig's Eye*, *Real Think*, *Dude's Delight*, and *Tough and Sweet*. Brand names of smoking tobacco included *Cock of the Cock*, *Dagger*, *Good Enough*, *Daily Bread* and *Befoe de War*. The last also served for a cheroot, a plug, and a snuff. It should be said, to the credit of the promotion men who concocted these appellations, that they were original thinkers—not plagiarists. Using another's brand name was then a common practice.



Loading drays with tobacco hogsheads outside a Louisville warehouse in 1873

From Frank Leslie's Illustrated Newspaper

Tobacco metropolis

Louisville had become the tobacco manufacturing center of the state and its shipping operations had been greatly extended. It was now the great marketing headquarters for Burley leaf. Prices brought at auction in the city's numerous warehouses were sometimes week-long sensations. In the 1880-1881 auction season, for instance, there was a flurry of excitement when some Burley leaf, designated as "colory cutting," brought \$7 to \$9 per hundred pounds for lugs (common ground leaves), and \$20 to \$24 for the same weight of "fine leaf."

World outlets had opened up for Kentucky tobacco. In 1880, when the best farm land could be bought in the Paducah or Western District fire-cured area for \$25 to \$30 an acre, that section was producing a variety of types for domestic and foreign manufacturers. Included were Dark and Red Shipping, sun- and air-cured filler (for plug), African, and leaf for European state monopolies, designated as "Regie" tobaccos. The range of prices then was \$2 for poor lugs to \$40 per hundred pounds for fine, light wrapper. The Green River district was

supplying stripped leaf of heavy, coarse variety to the English market. Out of the Cumberland River area came a considerable number of types among which Poor Man's Friend, One Sucker, Shoestring, White Burley, Morrow, Blue and Yellow Pryor were best known.

Selling systems

Despite Louisville's prominence as the greatest hogshead auction center—175,000 hogsheads were annually on the floors of its twenty warehouses before 1900—not all farmers went to the trouble of pressing cured leaf into hogsheads.

For two decades and longer, from 1880 on, many independent growers of tobacco in Kentucky maintained their own pattern of selling leaf. They had been encouraged by buyers representing domestic and European firms to "sell direct." At barn doors, in market town streets, or at designated meeting places on country roads, buyers bought leaf without benefit of auctions.

When disposing of loose leaf from their wagons farmers called it "the Virginia method," which it certainly was not. When planters of western Kentucky moved their wagons to the protection of a roofed-over driveway (the "chute"), buyers standing on a platform from which they could inspect the leaf were engaged in "chute buying." For a number of years, in the "northern districts" near Owensboro, Green River tobacco was sold at auction, though only sample leaves of the season's crop were shown to bidders.

Bountiful Burley

The several distinct types produced in Kentucky were not competitive insofar as markets were concerned. Be-

fore 1900 the commercial pattern of tobacco consumption seemed fairly well fixed. Some of the wiser men in the industry, aware of cycles in taste and responsive to a slowly growing interest in cigarettes, had added that new line to their other products. For the most part, however, manufacturers felt that nothing would change. There could be only more tobacco chewers, pipe and cigar smokers.

Production of Burley tobacco had developed in several states other than Kentucky and Ohio. The type was vying with the Bright tobacco of North Carolina and Virginia in popularity. Enthusiastic supporters were expressing their opinions in print. A writer of the 1920's, a practical tobacco man, was repeating a general opinion of late 19th century Kentuckians when he referred to Burley as "probably the most famous and most useful type of tobacco grown anywhere in the world."

An indication of what Burley production meant to Kentuckians in the late 19th century appeared in an article written by Thomas G. Watkins, commercial editor of the *Louisville Courier-Journal*. He said, in part:

Burley is one of the most profitable crops that can be grown and were it not for the peculiar limitations of the industry it would make all the land of Kentucky among the most valuable tillable ground of the globe...

The chief field for its production is in the famous Blue Grass region. Here it is grown of the finest quality and on the largest scale. It has made up to the fortunate planters great depreciation in the value of horses and cattle, whose breeding was such a feature in the agricultural life of the State. It can almost be said it has saved the Blue Grass farmers from ruin. Their crops are spread over hundreds of acres and

are worth small fortunes each year. No wonder that pastures that had been grazed by thoroughbreds for a century have been plowed up and planted with the weed.

Black Patch War

Around the turn of the century most of the tobacco farmers in Kentucky were having a difficult time. Several factors were adversely affecting the prices they had been receiving for their hard-earned crops. Overproduction, resulting occasionally in poor leaf quality, a reduction in foreign market demand for Kentucky tobaccos, and a swing in consumer interest to tobacco products that did not depend on Kentucky leaf—cigars and cigarettes—brought prices down.

Faced with the hard realities of economic facts the planters rationalized their difficulties by blaming the most immediate apparent cause—the buyers of leaf. This attitude, a traditional one among farmers, was pretty general in all Kentucky tobacco-producing areas. It was most vigorously expressed in the Black Patch districts of western Kentucky and Tennessee.

Congress had been petitioned by Black Patch farmers to eliminate the federal tax on cured natural leaf. This tax, applied only when the tobacco was sold at retail directly to consumers, had been in effect since 1872. The House had acted favorably on the petition but the bill was killed by the Senate Finance Committee. Had the repeal been effected, it is doubtful that it would have benefited farmers directly, at a period of extremely low prices.

Thereupon a number of energetic planters decided that they could force prices up if they pooled their crops and their resources. The constitution of Kentucky had a

provision, mandatory on the legislature, that prohibited pooling designed to increase prices. The organizers of the proposed farmers' association ignored this legal restriction. It was not the first time that a planters' combine had been formed. The earliest such organization in Kentucky had appeared in 1873.

At Guthrie, Kentucky, in September 1904, a meeting of five to six thousand farmers formed the Dark Tobacco District Planters' Protective Association. Those planters who failed to join, the "Hill Billies," were denounced as violently as were the assumed enemies. Hill Billies continued to sell to the usual buyers. When the news got around that non-members were receiving high prices for their tobacco, farmers in the Association began to drift away.

This led to direct action by members in the form of night calls on farmers who preferred to remain independent, and on buyers' agents. Before long, the Night Riders had become a secret organization of some ten thousand farmers. Although the Association denied that it had any connection with the Night Riders, everyone knew better.

A ction and counteraction

The original plan of the Association founders had been to pack members' tobacco and sell by sample leaf. But they had no outlet for members' crops. The Night Riders turned to vigorous, direct, and unlawful action. The crops of Hill Billies were destroyed, quite a few of these independent farmers were beaten, some were wounded by gunfire, and some deaths resulted. In December 1906 masked Night Riders raided Princeton, the seat of Caldwell County, and burned down two factories. One was described as "the biggest and best equipped stemmery

in the world." A year later the Night Riders moved in on Hopkinsville and engaged in violent activity. Included in the destruction that took place was a warehouse that held \$15,000 worth of tobacco owned by the Italian *Regie*.

By 1908 it appeared as if the Association and its militant arm had won. Black Patch farmers were operating in a sellers' market. Almost all tobacco produced in their area was bought directly from the Association. (Only a tenth of the 1907 harvest of 100,000,000 pounds came from independent farmers.) The average price paid member farmers was three to four times that current in the years just before the Association was formed.

Yet in the same year when the organization was looking forward to a long existence and a comfortable old age one of its victims, who had been beaten, won a suit in a federal court for damages against thirty Association members. Other successful suits followed. Meanwhile, contingents of the state militia had been moved into the Black Patch districts. Other elements were combining to reduce the effectiveness of the Association. Hogshead selling was on the way out; farmers could now dispose of their crops at loose-leaf auctions if they wished. Prices were better. A section of the Payne-Aldrich Tariff Act of 1909 eliminated the tax on producer-to-consumer sales of natural leaf. The Association had begun to lose membership at a noticeable rate from 1909 on. Its last days came by 1915.

Several farmers' pools had, meanwhile, been organized in the Burley districts. Most conspicuous of these was that known as "the Lebus pool," after the president of the Burley Tobacco Society, Clarence Le Bus. Despite moderate leadership, a situation similar to that in the Black Patch developed. The economic factors that affected farmers in the Black Patch soon brought about the dissolution of the Burley pools.

F euding echo

From ancient times tobacco, in its social uses, had been a promoter of harmony and fellowship. It seemed a strange contradiction that it should have been the center of violent conflict in modern times. The real cause of the discord was economic, the same element that had brought about other instances of violence in the field of tobacco agriculture. The Culpeper Rebellion in North Carolina, 1677-1679, had its roots in the demand of tobacco planters for a free market. In an effort to curb overproduction of tobacco in Virginia, farmers had destroyed their own and their neighbors' plants in 1682, and tobacco-cutting riots had taken place in Maryland in the early 1730's.

With changes in buying practices after 1911, and the high prices that prevailed during World War I, the brutalities of the pooling combines were largely forgotten. Yet a native son of Kentucky, Irvin Cobb, may have had the war partly in mind when he wrote his pseudo-guide to Kentucky. He must also have been aware, too, of the provocative character of some place names in the Bluegrass State, among them Contrary, Disputanta, Squabble, Hazard, Mad Dog, Viper, Rowdy.

Cobb remarked:

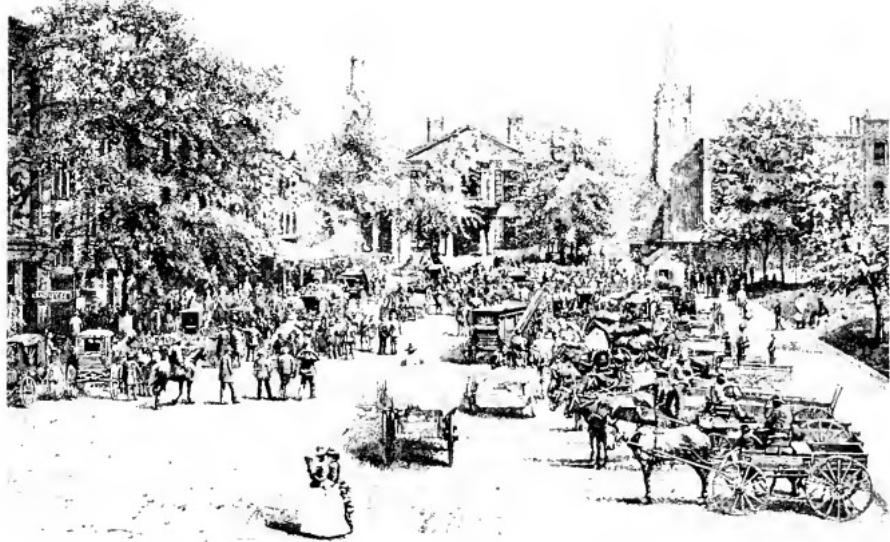
The crest of the state shows two gentlemen... holding each other firmly... The intent of the picture is plain. So long as they hold hands, neither can reach for his hardware. The motto to which goes with this device is "United We Stand, Divided We Fall To." By an oversight the designers left the word "To" off the end of the phrase.

Novel sales; novel brand

A pattern of selling new to Kentucky began in 1906 when Charles Bohmer of Virginia opened the first "loose-leaf" auction warehouse at Lexington. (Leaves, though "loose," were tied in "hands.") This method of selling at auction had been practiced in Virginia since early in the 19th century. Kentucky growers of Burley thought the system a fair one and it developed steadily. Farmers of dark tobacco in the western section of the state were less willing to abandon the traditional hogshead selling. But within a reasonable number of years they too accepted loose-leaf auctions, by then the procedure in all tobacco-growing states except those producing cigar-leaf types.

For a while Louisville was the center of loose-leaf sales. Then Lexington took its place as the major Burley auction market. In 1913 a "revolution" occurred in the tobacco industry when the first modern blended cigarette was marketed and heavily promoted. Before that, cigarettes produced in the States were almost entirely of aromatic leaf, the "Turkish" type, though a few made from flue-cured tobaccos or some containing Burley were also available.

What particularly interested the farmers of Kentucky was the considerable quantity of Burley (sweetened as heavily as plug had been) in the new cigarette. The blended cigarette quickly won popular approval. All domestic manufacturers converted to the modern style to meet a growing consumer demand, the cigarette became the dominant form in which tobacco was used—and Burley had a broadened outlet.



A quiet day in Lexington, Kentucky's largest tobacco market town, 1889
From Harper's Monthly

Farmers' Cooperative

The harvests of all types from Kentucky's numerous tobacco farms came to 462 million pounds in 1916. With an overall average of 12.7 cents per pound the total value of production was \$58,674,000. Acreage increased during the war years of 1917 to 1919. Burley tobacco sold for 34 cents a pound in the latter year. Then, with production still high, its price dropped to 13.3 cents a pound in 1920. The war was over—and a long, rainy season was responsible for poor leaf quality.

At Lexington the auction market opened on January 3, 1920 and other Burley markets opened on the day following. They were summarily and simultaneously closed during the morning of the second day thereafter by farmers indignant over the low prices. A few lots had been purchased at prices below the cost of production.

It was stated that all Burley growers faced economic ruin. Excitement continued high and the mood in the auction areas was ugly. Buyers, who were hardly ac-

countable for market conditions, were threatened with bodily harm. But out of this disastrous situation came a steady influence in farmer support and in marketing. It took form in the Burley Tobacco Growers Cooperative Association.

The principle of the cooperative plan was hardly new. And insofar as Kentucky farmers were concerned, it was an old idea, having been expressed more than a century before by Gen. James Wilkinson. In December 1789 he and his partner, Peyton Short, addressed a letter to Col. Isaac Shelby, a tobacco farmer who later became Kentucky's first governor. One sentence in that letter was basic in the formulation of group action. It read:

1000 hogsheads of tobacco in the hands of one man will stand a much better chance for a good market than the same quantity in twenty hands at any market.

Prestige pool

An association of Burley growers had already been formed before the bottom dropped out of the auction market in 1920. The growers' association was developed into a practical cooperative chiefly through the hard work and influence of Judge Robert W. Bingham, editor of the *Louisville Courier-Journal*, Samuel Halley of Lexington, a noted tobacco planter and warehouse operator, and Arthur Krock, then editor of the *Louisville Times*. They had the support of financier Bernard Baruch and they made effective use of the legal talent of Aaron Sapiro, an experienced man in forming cooperatives.

The first president and general manager, James C. Stone, became a key figure in building the Association and maintaining its high prestige. There were more than 55,000 members by November 1921; by 1924 membership went over the 100,000 roster. For the 1921 crop an

average 21 cents per pound had been paid for Association Burley. Warehouses in Burley districts in Kentucky and other states had been acquired by the Association which also graded, redried and stored tobacco. For the first six years of its existence the Association sold more than 100 million pounds annually.

Then, from about 1925, members began to withdraw from the Association and from other pooling organizations. There were several reasons for the lack of membership interest and the consequent decline of cooperative groups. Chief of these lay in the simple fact that a farmer selling directly at auction was paid at once for his product. When his leaf went to the cooperative pool he had to wait for a brief period after it was sold. A majority of Association members refused to sign a new five-year contract in 1926, whereupon the organization discontinued its operations. Yet it retained its properties and continued its corporate structure.

The modern look

The last hogsheads of leaf sold at auction in Kentucky had been rolled off the warehouse floors during the 1929-1930 season. No one, except perhaps the coopers, was sorry to see them go. In varying sizes they had been on the farm scene in tobacco colonies since their earliest settlements. They had made the primitive routes for land passage that developed into major highways. Now that they were gone, everyone concerned with growing and selling tobacco agreed that loose leaf in hands, placed in baskets on auction floors, looked better, smelled "sweeter," and sold better than in hogsheads.

Other changes were taking place. For some time the area just south of Henderson had been known as the "stemming district," as tobacco from that section had

had the woody stem and midrib removed (stemmed) before packing. Nearly all of this fire-cured leaf, produced in northwestern Kentucky, was exported to Europe. But by 1949, when its harvests had been reduced to under 100,000 pounds—it had been even lower in the earlier '40's—cultivation of this type was abandoned. Green River tobacco and fire-cured types from other Kentucky areas were as acceptable to foreign buyers and domestic manufacturers of snuff.

Counsel, controls, cooperation

Several efforts had been made in the early 1930's to revive tobacco-farmer cooperatives. A few got off to a flourishing start but none of these early successes was maintained.

Government interest in the agrarian and economic problems of farmers became intensified during the depression years and developed into programs of allotments and price supports. Tobacco as a basic commodity, soil conservation, parity, the AAA and the Commodity Credit Corporation, marketing quotas and referendums were terms and conditions that became part of the lives of farmers and sometimes a part of their vocabulary.

Somehow, through the years of adjusting themselves to government counsel and controls, busy tobacco farmers found time to get to meetings where their economic status was under discussion. As a result of such meetings the practical operations of the twenty-year-old Burley Tobacco Growers Cooperative Association were renewed in 1941. Other tobacco-farmers' organizations followed and now work closely with government agencies that are concerned with agricultural prices under the federal stabilization program.

The Burley flavor

During the decade to 1970 there was a higher yield per acre from Kentucky's tobacco farms though acreage dropped from 197,000 acres to 143,000 acres. Good leaf prices prevailed. Domestic cigarette production rose to about 575 billion in 1971. In the same period filter-tip cigarettes went from 52 percent of the market to 80 percent.

Consumer use of all tobacco commodities rose or was maintained in recent years. Kentucky leaf is to be found in all of these products. The latest official estimate of domestic cigarette consumption in 1971 records an advance to over 550 billion. Americans are maintaining their reputation as the largest consumers of tobacco anywhere and they clearly show their preference for what is still referred to in the States as "the Burley blend."

From the earliest period of settlement tobacco has had a powerful influence in shaping the economic and social life of the Bluegrass State.

Its potential as a commercial crop furthered emigration from other parts of the Union and from Europe for many decades. Its realization as a salable agricultural product was an important element in fixing settlers in the soil, in building new towns and roads. Kentucky's tobacco crops had an exceptional influence in developing the "new West's" first export trade.

The annual harvests of desirable leaf created markets that drew buyers from home and abroad. And after Burley became the major product of Kentucky's farms, it had the world as its outlet. In the fields, the auction warehouses, the factories, along the transportation highways, and in retail shops, Kentucky tobacco remains a vital element in the healthy economic life of the state.

Data on the current tobacco industry in Kentucky have been supplied by the Agricultural Marketing Service, U.S. Dept. of Agriculture, and the Departments of Revenue (Program and Research div.), Economic Security (Research and Statistics div.), Agriculture, and Economic Development (Agricultural Development div.), all of Kentucky. A special note of thanks is due to Ira F. Missie, tobacco specialist, University of Kentucky, College of Agriculture Cooperative Extension Service. Various recent standard publications of the U.S. Dept. of Agriculture, the Dept. of Commerce, the Internal Revenue Service, and of the Kentucky Agricultural Experiment Station, University of Kentucky also provided information on present-day tobacco agriculture and commerce in Kentucky. Of value, too, was the article by John H. Bondurant in *Kentucky Farm and Home Science* (Winter 1959).

For material on tobacco agriculture and commerce in the later 19th and early 20th century the major sources depended on were "Report on . . . Tobacco," by J. B. Killebrew (in the 10th Census, 1880), *The Production of White Burley Tobacco*, E. J. Kinney, published by the College of Agriculture, University of Kentucky (1930); "Statistics of Manufactures of Tobacco," J. R. Dodge (in the 10th Census, 1880), and *Export and Manufacturing Tobacco of the United States*, E. H. Mathewson, U.S. Bureau of Plant Industry (1912).

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The passage on p. 18 is from Steed's *Kentucky Tobacco Patch* (1947), that on p. 26 is from Halley's article in the Kerr edition of *History of Kentucky* (1922); the quotation on p. 29 is from *The Kentucky River Navigation*, Mary Verhoeft, Filson Club (1917). The present-day historian quoted on p. 29 is Willard B. Jillson, from his *Kentucky in American History* (c. 1963). The portion of a letter on p. 31 occurs in Verhoeft; the quotation on p. 33 is from *The Crockett Almanac*, ed. E. J. Meeme (1955); that on p. 34 is from Mike Link, W. Blair and E. J. Meeme (c. 1933); the excerpt on p. 35 is from Verhoeft as is the report on p. 37. Billings' book quoted on p. 46 is *Tobacco*. Samuel Halley is the "practical tobacco man" quoted on p. 50. Watkins' comment on pp. 59-54 appeared in his article in *Memorial History of Louisville*, ed. Johnston (1896). Cobb's book quoted on p. 54 is *Kentucky* (c. 1924). The passage on p. 57 is from the Kerr edition of *History of Kentucky* (1922).

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